

E X E C U T I V E S U M M A R Y

The Future of California Corrections

*A blueprint to save billions of dollars, end federal
court oversight and improve the prison system*

INTRODUCTION

For years, California's prison system has faced costly and seemingly endless challenges. Decades-old class-action lawsuits challenge the adequacy of critical parts of its operations, including its health care system, its parole-revocation process, and its ability to accommodate inmates with disabilities. In one case, a federal court seized control over the prison medical care system and appointed a Receiver to manage its operations. The Receiver remains in place today. The state's difficulty in addressing the prison system's multiple challenges was exacerbated by an inmate population that—until recently—had been growing at an unsustainable pace. Overcrowded prison conditions culminated in a ruling last year by the United States Supreme Court ordering the California Department of Corrections and Rehabilitation to reduce its prison population by tens of thousands of inmates by June 2013. At the same time that prison problems were growing, California's budget was becoming increasingly imbalanced. By 2011, California faced a \$26.6 billion General Fund budget deficit, in part because the department's budget had grown from \$5 billion to over \$9 billion in a decade.

To achieve budgetary savings and comply with federal court requirements, the Governor proposed, and the Legislature passed, landmark prison realignment legislation to ease prison crowding and reduce the department's budget by 18 percent. Realignment created and funded a community-based correctional program where lower-level offenders remain under the jurisdiction of county governments. In the six months that realignment has been in effect, the state prison population has dropped considerably—by approximately 22,000 inmates. This reduction in population is laying the groundwork for sustainable solutions. But realignment alone cannot fully satisfy the Supreme Court's order or meet the department's other multi-faceted challenges.

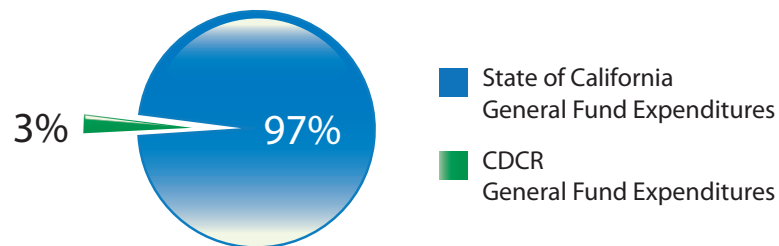
This plan builds upon the changes brought by realignment, and delineates, for the first time, a clear and comprehensive plan for the department to save billions of dollars by achieving its targeted budget reductions, satisfying the Supreme Court's ruling, and getting the department out from under the burden of expensive federal court oversight.

Saving Billions of Dollars

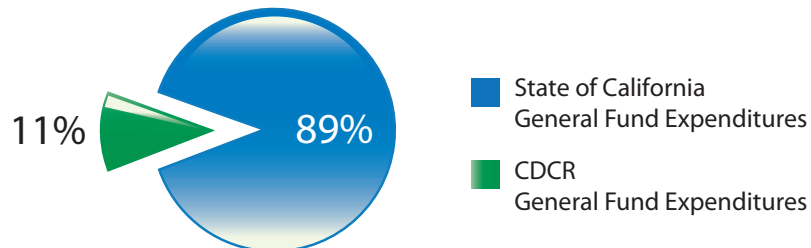
Given the ongoing budget problems facing California it has become increasingly important to reexamine the mission and priorities of the corrections system. With dedicated funding directed to county

governments to manage lower-level offenders, realignment allows the state to focus on managing the most serious and violent offenders. And it allows counties to focus on community-based programs that better promote rehabilitation. Not only is this good corrections policy, but it also allows the state to achieve significant budgetary savings from a department whose share of General Fund expenditures had grown from 3 to 11 percent over the last 30 years.

CDCR Percentage of State General Fund Expenditures in 1979-80



CDCR Percentage of State General Fund Expenditures in 2008-09



One of the primary benefits of realignment is the ability of the department to comply with the Supreme Court's order without releasing tens of thousands of inmates or building costly new prisons. Absent realignment, and given the public safety risk associated with releasing offenders early, the state would have had to build up to nine new prisons and house more inmates in private contract facilities in order to comply with the Supreme Court's order. Instead, the Administration is now proposing legislation to eliminate approximately \$4.1 billion of the lease revenue bond authority in Assembly Bill 900. Eliminating this bond authority and no longer needing to build new stand-alone prisons will avoid \$2.2 billion annually in new operating costs and facility debt service costs.

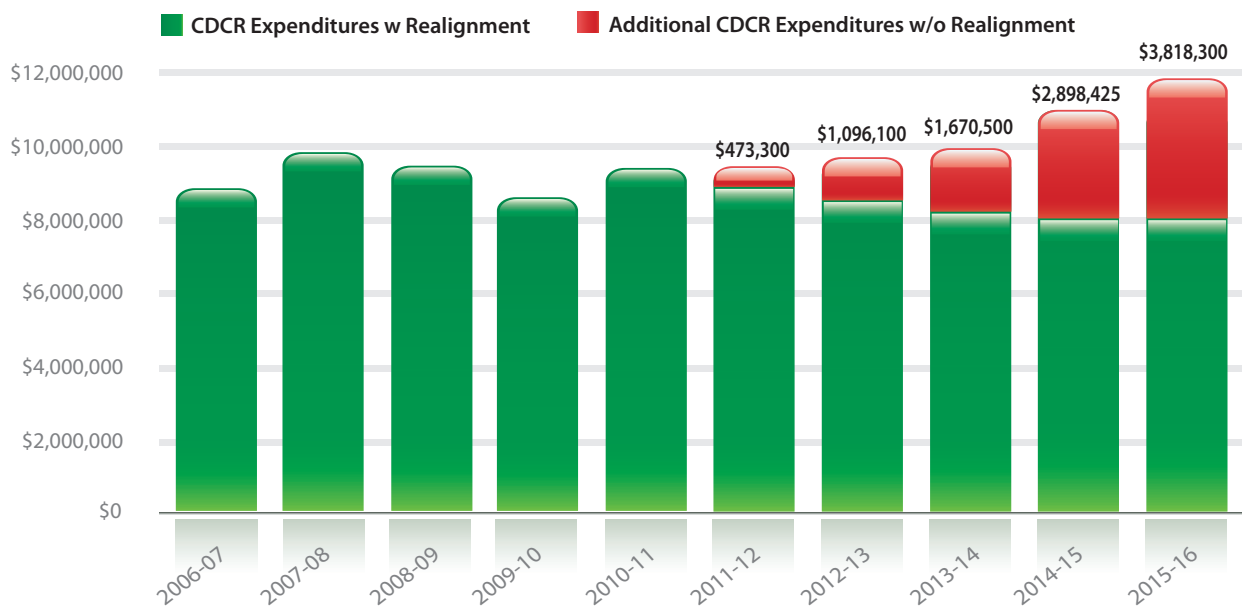
In addition to billions of dollars in avoided costs, upon full implementation of realignment, the department's annual budget will be

reduced by \$1.5 billion through reduced expenditures associated with declining offender populations and new efficiencies. Consequently, the department's budget will account for approximately 7.5 percent of state General Fund expenditures in the future. All departmental operations, including headquarters and administration, have reassessed their budgets to correspond with the smaller offender populations being served in prison and on parole. As a result of the declining populations, the state will be able to save nearly half a billion dollars by closing the California Rehabilitation Center—one of its oldest, most costly, and inefficient prisons to operate—and ending contracts for out-of-state prison facilities. The savings contemplated in this plan will be attained by safely reclassifying inmates, housing inmates in facilities that are commensurate with their custody level, and working to reduce recidivism. Capitalizing on the opportunities created by realignment will create a safer, more effective correctional system, and allow the state to regain control of its prison system by satisfying federal court requirements.

Combining the actual budget savings with the avoided expenditures that would have been required without realignment, over a ten year span the state will have saved and avoided over \$30 billion in General Fund costs that may now be used to help balance the state budget or for other critical areas such as education and health care.

Fiscal Impact from Realignment

(Dollars in thousands)



Realignment is Reducing Prison Crowding and Facilitating Compliance with the Supreme Court's Order

Between 1986 and 2006, California's prison population soared from approximately 60,000 inmates to an all-time high of 173,479 inmates. At its peak, the inmate population had grown to more than double the designed housing capacity, forcing the department to house close to 20,000 inmates in gymnasiums, dayrooms, and other nontraditional housing areas—often in triple-bunks. To help alleviate the overcrowded conditions, an executive order was issued in late 2006 that authorized the department to involuntarily transfer inmates to privately-owned prisons out-of-state. Since then, the department has housed an annual average of about 10,000 inmates in other states.

The United States Supreme Court ruling in 2011 ordered the department to reduce prison crowding to 137.5 percent of the prison system's design bed capacity by June 2013. In the interim, the court ordered the department to meet incremental crowding-reduction targets at six-month intervals. The Court's final population requirement equates to a reduction of over 40,000 inmates from the department's all-time high just a few years ago.

Few options are available to satisfy the Supreme Court's order. Releasing tens of thousands of dangerous felons onto the streets would endanger public safety. And spending taxpayer dollars the state does not have to build several more costly prisons would be fiscally irresponsible. A safer and less expensive alternative—realignment—was proposed by the Administration, adopted by the California Legislature, and went into effect on October 1, 2011. Under realignment, lower-level offenders serve their sentences locally, and lower-level offenders released from state prison are supervised by local probation officers instead of state parole agents. Offenders who have been convicted of violent, sex-related, or other serious offenses continue to serve their sentences in prison. Realignment also ends the revolving door of parole violators returning to prison for only weeks or months at a time by having them serve their revocation terms in local jails rather than state prison.

Since realignment took effect, the department's offender population has dropped by approximately 22,000 inmates and 16,000 parolees. Crowding has been reduced from a high of over 200 percent of design capacity to just 155 percent today. The state achieved the first of its four court-ordered population-reduction benchmarks on time and has already met its second, two months early. The thousands of makeshift beds in gymnasiums and dayrooms that the department has been forced to use for years are now gone.

(right) *Before and after photographs of the gymnasium at the California Institution for Men show the dramatic effect realignment has had on reducing nontraditional housing*

Even After Realignment, Serious Challenges Remain

Although the state's prison population continues to shrink, realignment alone will not be enough to bring the department into compliance with the Supreme Court's order. The department's newly released spring population projections suggest that although the state will meet the December 2012 court-ordered population target, it will fall a few percentage points short of meeting the final benchmark of 137.5 percent of design capacity in June 2013. The new projections indicate that the prison population will drop to about 141 percent of design capacity by June 2013. Assuming the current projections remain accurate, the additional measures in this plan will be needed to satisfy the Supreme Court's order.

Realignment itself is also creating new issues that must be addressed and managed. For example, under realignment, less serious offenders who were housed in prison camps and dormitories are now under local jurisdictions, but more serious offenders have remained in the department's celled housing units. This is resulting in increasingly uneven staffing ratios and uneven distribution of inmates throughout the state's prisons. Moreover, the 9,500 inmates being housed outside of California in expensive private facilities should be brought back. California should be housing these inmates in its own prisons and investing the money in California where jobs are needed. This plan adjusts prison housing and reforms the inmate classification system to accommodate the realities of the remaining prisoner population.

The reduction in overcrowding brought about by realignment will also not completely solve the department's other challenges—although it will help tremendously. Realignment, for example, will do nothing to address limitations in existing clinical treatment space. Improving



this space as contemplated in this plan will enable the department to provide court-ordered health care services to a greater number of inmates within existing prisons instead of building costly new treatment facilities.

The measures contained in this plan will complete the substantial progress the department has made in showing the federal courts that it can ensure legally- acceptable conditions of confinement. This will allow the department to free itself from the Receivership and the numerous class-action cases in which it is entangled. These cases disrupt democratic principles by shifting control away from the state and to federal courts, make managing prison affairs more difficult, and impose enormous fiscal costs. The state spends millions of dollars each year in class-action litigation costs alone. This plan, combined with the effects of realignment, will put California in a position to end these lawsuits as soon as possible.

This Plan Addresses the Department's Remaining Challenges and Will Allow California to Satisfy Federal Court Requirements, Achieve Significant Savings, and Maintain an Effective Prison System for Years to Come

This plan will allow the department to satisfy the Supreme Court's order, end the class-action cases, maintain an effective prison system, and achieve significant savings. The key components will accomplish the following:

Improve the Inmate Classification System. As a result of research produced by a panel of correctional experts and input from seasoned professionals, the department is modifying its classification system. The modified system will enable the department to safely shift about 17,000 inmates to less costly housing where they can benefit from more access to rehabilitative programs. These modifications will begin to be implemented within six months, and they will eliminate the need to build expensive, high-security prisons.

Return Out-of-State Inmates. The department began sending inmates out-of-state when overcrowding was at its worst in 2007. Currently, there are more than 9,500 inmates outside of California. The department will be able to bring these inmates back as the prison population continues to drop, classification changes are made, and additional housing units are constructed at existing facilities. Returning these inmates to California will stop the flow of taxpayer dollars to other states, and is expected to save the state \$318 million annually.

Improve Access to Rehabilitation. This plan enables the department to improve access to rehabilitative programs and place at least 70 percent of the department's target population in programs consistent with their academic and rehabilitative needs. Increasing access to rehabilitative programs will reduce recidivism by better preparing inmates to be productive members of society. In doing so, it will help lower the long-term prison population and save the state money.

The department will establish reentry hubs at certain prisons to concentrate program resources and better prepare inmates as they get closer to being released. It will also designate enhanced programming yards, which will incentivize positive behavior. For parolees, the department will build a continuum of community-based programs to serve, within their first year of release, approximately 70 percent of parolees who need substance-abuse treatment, employment services, or education.

Standardize Staffing Levels. Realignment's downsizing has left the department with uneven, ratio-driven staffing levels throughout the system. Continued use of these increasingly outdated staffing ratios as the inmate population declines would be costly and prevent efficient operations. This plan establishes new and uniform staffing standards for each institution that will enable the department to operate more efficiently and safely.

Comply with Court Imposed Health Care Requirements. In recent years, numerous measures have been implemented that have significantly improved the quality of the department's health care system. The Inspector General regularly reviews and scores the department's medical care system, and these scores have been steadily rising. In addition, the capacity of the health care system will soon increase. Slated for completion during the summer of 2013, the California Health Care Facility in Stockton is designed to house inmates requiring long-term medical care and intensive mental health treatment. Its annex, the DeWitt Nelson Youth Correctional Facility, will open in the summer of 2014 to create a unified Stockton complex, allowing both facilities to efficiently transition inmate-patients between the two, while avoiding transportation and security costs as well as the need for expensive services in community hospitals and clinics. These projects, in addition to ongoing mental health and dental projects and new plans to increase medical clinical capacity at existing prisons, will satisfy court imposed requirements.

Satisfy the Supreme Court's Order to Reduce Prison Crowding.

As previously mentioned, the department's newly released spring population projections suggest that the department may fall a few percentage points short of meeting the final court-ordered crowding-reduction benchmark even with realignment. In June 2013, the department's prison population is projected to be at 141 percent of design capacity rather than the 137.5 percent goal identified by the Supreme Court. The additional measures proposed in this plan will allow the state to seek and obtain from the court a modification to raise the final benchmark to 145 percent of design capacity. Otherwise, alternatives such as continuing to house inmates out-of-state will have to be considered.

In its order, the Supreme Court contemplated that appropriate modifications to its order may be warranted. The Court explained that as the state implements the order, "time and experience" may reveal effective ways of ensuring adequate health care—other than through population reductions. The state "will be free to move" the Court for modification of the order on that basis, and "these motions would be entitled to serious consideration." This plan sets forth necessary reforms to satisfy this order as well as other court imposed requirements related to the provision of health care services.

The reduced prison population has already substantially aided the department's ability to provide the level of care required by the courts. As the population further declines, the department's ability to provide the required level of prison health care will continue to improve. New health care facilities and enhanced treatment and office space at existing prisons will enable the department to maintain a health care system capable of providing this level of care for a higher density prison population than the Court originally contemplated. This plan will provide critical support for the state's ability to satisfy the Supreme Court's order without having to maintain expensive out-of-state prison beds or release inmates early.

Realignment has provided California an historic opportunity to create not just a less-crowded prison system, but one that is safer, less expensive, and better equipped to rehabilitate inmates before they are released. This plan seizes on that opportunity. Each of the following sections describes key aspects of a prison system that combines the inmate reductions achieved in realignment with a facility-improvement plan that will enable a more efficient inmate health care delivery system. This is the prison system that best serves California.

